

MINUTES
SPECIAL CITY COUNCIL MEETING
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
YUMA CITY HALL – CONFERENCE ROOM 190
ONE CITY PLAZA, YUMA, ARIZONA
MAY 4, 2010
3:10 p.m.

CALL TO ORDER

Mayor Krieger called the City Council meeting to order.

ROLL CALL

Councilmembers Present: Stuart, Mendoza, Beeson, McClendon, Brooks-Gurrola, Johnson and Mayor Krieger
Councilmembers Absent: none
Staffmembers Present: City Administrator, Greg Wilkinson
City Attorney, Steven W. Moore
Director of Finance, Pat Wicks
Various Department Heads or their representative
City Clerk, Brigitta M. Kuiper

Mayor Krieger explained that today's Special City Council Meeting has been convened at the request of four City Councilmembers per Yuma City Charter Article VII, Section 3 and Yuma City Code Section 30-2 (A).

I. ITEM FOR POSSIBLE RECONSIDERATION

1. Possible Reconsideration of City Council Disapproval of a Special Event Liquor License – Immaculate Conception Roman Catholic Parish and Guadalupe Mission - Yuma

Motion (Brooks-Gurrola/Beeson): To reconsider the City Council's denial of Motion Consent Agenda item B.2 (Special Event Liquor License for Immaculate Conception Roman Catholic Parish and Guadalupe Mission-Yuma) at the Regular Meeting on April 21, 2010.

Roll call vote: **adopted** 5-2; McClendon and Mayor Krieger voting Nay.

2. Special Event Liquor License: Immaculate Conception Roman Catholic Parish and Guadalupe Mission-Yuma

Approve a Special Event Liquor License application submitted by Oscar Frank Chavez, on behalf of the Immaculate Conception Roman Catholic Parish and Guadalupe Mission-Yuma, for a Mother's Day celebration. The dinner and dance event is a fundraiser for the parish and will be held at Saint Ann's Parish Hall, 505 S. Avenue B, Saturday, May 8, 2010 from 5:00 p.m. to 1:00 a.m. (SP10-07)
(Admin/Clerk)

Discussion

Oscar Chavez, applicant, explained that the event is a fundraiser, but is also intended to provide an opportunity for members of the community to celebrate Mother's Day with a dinner and dance. The only alcoholic beverages served will be beer and wine. The location of the event is 505 Avenue B, which is the same location as a school.

Motion (Brooks-Gurrola/Mendoza): To approve the Special Event Liquor License for Immaculate Conception Roman Catholic Parish and Guadalupe Mission-Yuma, as presented. Roll call vote: **adopted** 5-2; McClendon and Mayor Krieger voting Nay.

McClendon expressed appreciation to the public for their communication to her over the last few days. McClendon stated her position remains the same – she will not support special events that serve liquor on public or private school grounds. Numerous other venues are available for such events.

Brooks-Gurrola explained that the Immaculate Conception Church is a private church that does not receive any financial support from local agencies. Loss of this fundraiser would severely impact their operations. This event has been held for over 50 years. As an official elected to serve the community, she will honor the community's wishes.

Mendoza: Public schools and private schools represent two separate situations. Even the State cannot dictate to private schools. The event is a long-standing fundraiser, a one time event and will be held after school.

Stuart questioned the criteria for denying a liquor license. **Moore** explained there are various criteria for declining a liquor license; it is at the City Council's discretion. A Special Event license is decided at this level. **Mayor Krieger**: Unlike regular liquor licenses, the State cannot overrule the City Council's decision on Special Event Liquor Licenses. Krieger stated his voting record on this issue has been consistent throughout his service on the City Council.

II. CITY OF YUMA 2009-2010 AND 2010-2011 BUDGETS

Wilkinson prefaced Wicks presentation with the following comments:

- The Capital Improvement Budget will not include any construction. Personnel have been reduced, making the operation and maintenance of new fields, facilities or structures not feasible. Such activity has been put on hold until Fiscal Year (FY) 2013, with one exception, the new Public Safety Training Facilities on Avenue 4E. Although construction of the auditorium/classroom building will not occur, the shade structure will be installed and certain fire training facilities, such as the burn tower, will be completed so that the site can be used for training.
- Instead of building a new Yuma Police Department (YPD) evidence storage warehouse, the Alsco building will be renovated for this use.
- The newly-instituted \$5 Solid Waste Collection Fee will cover only the operational costs of trash collection. The fee does not cover truck replacement.

- The Parks and Recreation Department has reprioritized their programming and made changes based on attendance and cost.
 - Three programs are being moved to donation support.
 - Nine programs have been eliminated.
- Construction fire inspections have been reassigned from Yuma Fire Department (YFD) inspectors to Community Development inspectors in order to use personnel more effectively. YFD inspectors will continue to inspect for hazardous waste and perform the annual policy and procedure inspections of schools, restaurants and such.
- City employees have contributed to cutting costs by taking several furlough days.
 - With the recent budget adjustments it does not appear that any additional furlough days will be needed.
 - If necessary, the City Administrator will ask for the authority to suspend holiday pay.
- Currently included in the budget are:
 - \$248,000 - Yuma Metropolitan Planning Organization (YMPO) through HURF funding
 - \$101,000 of this amount is for transportation planning services.
- Does the City Council want to reconsider allocations to the Greater Yuma Port Authority (GYPA)? It is not included at this time.
- The Request for Proposals and Request for Qualifications for the golf course operations are continuing through the process.
- The City is moving toward the use of a car pool for out-of-town travel, but not for intra-city travel.
- Revenues from the sale of land for a federal courthouse have not been included in the budget.
- Staff will follow up on other suggested items for further City cost savings.
- Budget concerns:
 - State and/or Federal legislation could still significantly affect the City's budget.
 - The Equipment Replacement Program (ERP) must be reinstated eventually to keep operations healthy.

Mayor Krieger strongly encouraged staff to work out a way to reserve money for vehicle replacement, especially for public safety vehicles. He also encouraged the other City Council members to include GYPA support in the City's budget because Yuma needs to be in a commanding position in terms of global trade.

Wicks contrasted the status of the General Fund as of 3/3/2010 and as of today, May 4, 2010. A number of adjustments have been made to reduce the fund balance deficit in FY2012.

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General Fund as of 3/31/2010				
	2009-2010 Budget	2009-2010 Estimate	2010-2011 Request	2001-2012 Request
Undesignated Fund Balance July 1	14,712,335	11,741,322	10,536,135	8,467,379
Estimated Revenues	58,774,120	53,771,473	51,984,231	50,277,438
District 67 Reserves	-	-	947,380	-
Transfers In:				
Equipment Replacement Fund	-	1,143,186	-	-
Total Transfers In	-	1,143,186	-	-
Total Sources	58,774,120	54,914,659	52,931,611	50,277,438
Uses:				
Expenditures				
Personnel	47,645,049	44,343,574	43,702,674	43,702,674
Operating	8,340,595	6,587,114	7,689,800	7,689,800
Debt Service Reserve	598,577	598,577	599,768	598,419
Capital Outlay	373,334	174,900	289,364	39,364
Capital Improvements	40,000	7,000	40,000	-
Transfers Out:				
Solid Waste Fund	1,312,172	1,198,381	984,422	984,508
Yuma Mall Maintenance Fund	135,036	135,007	120,863	120,863
Riverfront Redevelopment	-	-	-	-
Radio Communication Fund	123,900	123,900	123,900	123,900
Debt Service Fund	2,951,393	2,951,393	1,449,577	2,942,839
Total Transfers Out	4,522,501	4,408,681	2,678,762	4,172,110
Total Uses	61,520,056	56,119,846	55,000,368	56,202,367
Undesignated Fund Balance June 30	11,966,400	10,536,135	8,467,379	2,542,450
Fund Balance Drawdown		(1,205,187)	(2,068,757)	(5,924,928)
Target Fund Balance of 18%		9,678,865	9,357,162	9,049,939
Surplus/(Deficit)		857,270	(889,783)	(6,507,489)
		19.59%	16.29%	5.06%

Budget Reconciliation Revisions

Deficit anticipated for FY2012 as of 3/23/2010	(6,507,489)
Steps taken to reduce deficit – impacting 2 years	
Solid Waste Fee FY11 & FY12	1,968,930
Move Arts to 2% funding FY11 & FY12	1,514,818
Move 1720 to respective Water, Wastewater & Solid Waste Funds FY11, FY12	477,524
Remove FY10 CIP estimate	7,000
Remove FY11 CIP request	40,000
Fire CON* expenditures FY11 & FY12	(4,340,000)
Fire CON revenues FY11 and FY12	4,340,000
Remove Debt Service Reserve payment FY10, FY11, FY12	1,796,764
Utilize Debt Service Reserve for debt payment FY11	1,413,914
Adjust FY10 debt payment	(1,101,066)
Adjust FY11 debt payment	(1,099,268)
Adjust FY12 debt payment	(1,096,272)
Adjust Sales Tax revenues FY10, FY11, FY12	2,250,000
Misc. payroll and operating adjustments; fund balance % adjustment	474,309
Deficit anticipated for FY2012 as of May 4, 2010	139,164

*Certificate of Necessity – issued by the State of Arizona, which would allow the City to offer ambulance services.

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General Fund as of 5/4/2010				
	2009-2010 Budget	2009-2010 Estimate	2010-2011 Request	2011-2012 Request
Undesignated Fund Balance July 1	14,712,335	11,741,322	10,945,049	12,981,115
Estimated Revenues	58,774,120	54,475,973	54,871,590	53,164,797
District 67 Reserves	-	-	947,380	-
Transfers In:				
Equipment Replacement Fund	-	1,143,186	-	-
Total Transfers In	-	1,143,186	-	-
Total Sources	58,774,120	55,619,159	55,818,970	53,164,797
Uses:				
Expenditures				
Personnel	47,645,049	44,187,893	44,218,748	44,218,748
Operating	8,316,037	6,549,401	7,658,098	7,658,098
Debt Service Reserve	598,577		(1,413,914)	
Capital Outlay	397,892	174,900	526,364	276,364
Capital Improvements	40,000	-	-	-
Transfers Out:				
Solid Waste Fund	1,312,172	1,193,380	-	-
Yuma Mall Maintenance Fund	135,036	133,499	120,863	120,863
Riverfront Redevelopment	-	-	-	-
Radio Communication Fund	123,900	123,900	123,900	123,900
Debt Service Fund	4,052,459	4,052,459	2,548,845	4,039,111
Total Transfers Out	5,623,567	5,503,238	2,793,608	4,283,874
Total Uses	62,621,121	56,415,432	53,782,904	56,437,084
Undesignated Fund Balance June 30	10,865,334	10,945,049	12,981,115	9,708,827
Fund Balance Drawdown		(796,273)	2,036,066	(3,272,287)
Target Fund Balance of 18%		9,805,675	9,876,886	9,569,663
Surplus/(Deficit)		1,139,374	3,104,228	139,164
		20.09%	23.66%	18.26%

By way of explanation, **Wicks** noted the following:

- Significant changes were made in order to reduce the deficit the Undesignated Fund Balance would otherwise experience in FY 2012.
- In previous years, the City attempted to reserve 20% in the Undesignated Fund Balance at the end of a fiscal year to accommodate cash flow issues in the next year. Given the economic downturn, the City has adjusted that target to 18%.
- Since the budget has been revised, as shown, there is money to fund GYPA. It would simply lower the amount of reserve in the Undesignated Fund Balance at the end of the fiscal year and the reserve percentage would allow it.

Concerning the revisions to bond debt service payments, **Wicks** stated that the public-safety-related Series 2007 bond expenditures will extend beyond the ending date of the Public Safety Tax. In an attempt to match the debt service outflow to the time available for the tax, the expenditures made early on were pushed to the public safety side, rather than the General Fund side. Now that Public Safety Tax revenues have fallen, like sales tax revenues, accelerated debt service payments can no longer be made. Almost \$600,000 was being set aside each year to make future debt service payments. That money has been returned to the General Fund and debt service payment amounts adjusted. Therefore, the Public Safety Tax needs to be extended in order to pay off the bonds at the amounts originally scheduled. The wording in the Public Safety Tax documents states that the tax will cease when bond

indebtedness relating to the original lease purchase is paid off. The lease purchase involves the YPD and Municipal Court buildings, and will be paid off in 2015. The change to the debt service payments affects the upcoming budget by only \$86,000. If an extension of the tax fails, the General Fund would pick up those costs.

- This month has seen the first real increase in sales tax revenues since August of 2008. An increase of \$750,000 in revenues has been included in FY 2010, FY 2011 and FY 2012 budgets, which assumes sales tax income will remain flat.
- 100 positions are unfilled.
- Budget worksessions will be scheduled for the end of the month.

Discussion

- Staff has not considered increasing the amount of the Public Safety Tax. There has been some consideration of broadening its use to include the replacement of equipment; however, its extension is the main need.
- How is the City preparing to absorb increased gasoline prices?
 - The Gulf of Mexico oil spill could influence the market and initiate gasoline price increases; it's difficult to know if gas prices will again skyrocket.
 - The budget reflects a price of \$2.30 per gallon.
 - If prices rise, each department will have to absorb the costs. No reserves are being set aside to offset price increases.
- If the City is allowed to offer ambulance services, it appears that the revenues would be set to cover costs. Could other activities, such as animal control, be managed in the same way, that is, that charges cover costs with no need for General Fund subsidy?
- Could the Equipment Replacement Program (ERP) be managed department-wide rather than being vehicle-specific?
 - That is a possibility; it's all in where the money is allocated.
 - There is approximately \$16 to \$18 million in the ERP fund right now, with \$6-\$7 million of that being General Fund monies.
 - It is being used very judiciously – only when the need is real.
 - Vehicles are not being routinely replaced and the fund is not being refreshed with new funding. However, this issue will have to be addressed.
 - Emergency needs are taken care of.
 - Staff focused on reducing the deficit in 2012; now that this has been brought under control, staff can focus on other issues, such as the ERP.
- Federal health care legislation as it applies to states will undoubtedly affect the State and therefore, the City.
- Prior briefings on a CON indicated that providing ambulance service would produce revenues, yet, the budget item shows no net gain over costs.
 - Because the budget total cannot be reduced, staff included these rough estimates with no revenues as placeholders, so revenues can be expended as they are collected.

Beeson asked staff to prepare a list of all the relevant taxes in the area – taxes that affect any residents in Yuma County, including school districts. The Jail District tax will be before the voters soon. The timing of the Public Safety Tax will be critical.

III. CITY OF YUMA BOARDS AND COMMISSIONS

Kuiper presented the following information:

- The City of Yuma has 17 active boards and commissions
- The City Council's powers with regard to boards/commissions are delineated in the Yuma City Charter, Article IX and include the power to create boards/commissions and appoint and remove members.
 - Membership on a City board/commission is limited to no more than five years
 - Residency within the City limits is required of members
 - Sunset law: Each board/commission is to be reviewed annually
 - In recent past, the annual review has been performed by City staff with City Council approval via adoption of the annual budget resolution.
 - Boards/commissions have specific, expert staff liaisons and City funding is necessary to support the program.
 - Specific changes recently recommended by staff and approved by the City Council: Merger of Design Review Commission and Historic District Review Commission (O2009-54)
- Boards/commissions are subject to Arizona State Statutes and their originating documents
 - Some City boards/commissions were created by ordinance and are included in the Yuma City Code
 - Some older boards/commissions were created by resolution
 - Some have Articles of Incorporation and/or bylaws
- The City boards/commissions program has moved to the City Clerk's Office for oversight
 - The City Clerk's Office and City Administration recommend the following:
 - Modifying the term expirations of all board/commission members to expire at the end of a calendar year
 - Exceptions on the basis of quorums would be made. If positions become vacant and the ability of a quorum is compromised, new appointments would be made mid-year.
 - Advantages:
 - Increased efficiencies in processing applications and vacancies at one time during the year.
 - Allows for a focused recruitment campaign at one time of the year to solicit applicants.
 - Implementation:
 - Draft an ordinance changing all board/commission terms to the end of the relevant calendar year.
 - Create marketing plan for annual or semi-annual recruitment of board/commission members
 - Disadvantage: Initial implementation would be time consuming
 - Staff will pursue the change if given direction to do so by the City Council.

Discussion

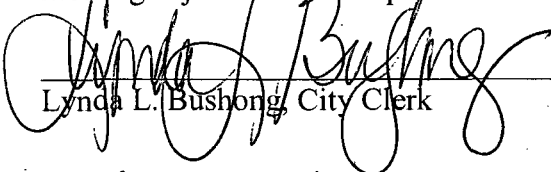
- How would the change affect the workflow in the City Clerk's Office?
 - Recruitment tasks would be focused on only once a year rather than spread throughout the year.

- The terms would continue to be staggered so that everyone on a board/commission would not have terms that end at the same time.
- Regular updates on board/commission vacancies and applicants were requested.
- Staff's annual review of the boards/commissions has not been in compliance with the intent of Charter provisions. Missing in the process is the gathering of input from current board/commission members. Perhaps the City Council's review could begin with a survey of current board/commission members as to whether they feel they are/have accomplished anything.
- A simple way for the City Council to stay abreast of board/commission activity is to receive the minutes of each board/commission meeting.
- Why do some boards/commissions have term limits and other do not? If an individual is willing to continue to serve and is doing a good job, why replace them?
 - Why not make it so that only one member per board/commission has his/her term up at the end of a calendar year?
 - Some boards/commissions have more than five members - the Yuma City Charter limits a term to five years.
 - Why not make every board/commission a five-member group and eliminate term limits?
- Changes to a board/commission could involve multiple documents. However, term limits could be amended across the board for all boards/commissions by a single ordinance.
- City boards/commissions are made up of nonpaid volunteers – sometimes hard to come by.


Mayor Krieger stated the City Council will consider the proposal and revisit it in the future.

IV. ADJOURNMENT/EXECUTIVE SESSION

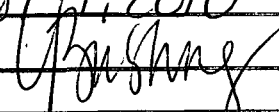
Motion (Beeson/Johnson): To adjourn to Executive Session. Voice vote: **adopted** 7-0. The meeting adjourned at 4:38 p.m.



Lynda L. Bushong, City Clerk



Alan L. Krieger, Mayor

Approved at the City Council Meeting of: <u>August 4, 2010</u>
City Clerk: <u></u>